

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 21, 2008

AMENDED IN ASSEMBLY APRIL 1, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2998

Introduced by Assembly Member Carter

February 22, 2008

An act to amend Section 18000 of the Business and Professions Code, and to amend Section 14013 of, and to add Sections 14001 and 14013.2 to, the Unemployment Insurance Code, relating to microenterprises.

LEGISLATIVE COUNSEL'S DIGEST

AB 2998, as amended, Carter. Microenterprises: economic development.

(1) Existing law encourages local governments as well as California communities and the public agencies that serve them to promote microenterprise, as defined, development.

This bill would revise the definition of microenterprise.

(2) The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Under existing law, the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board, among other things, to assist the Governor with promoting the development of a well educated and highly skilled workforce and developing the State Workforce Investment Plan.

This bill would express findings and declarations of the Legislature with respect to the self-employment workforce in the state, and the importance of all Californians having the opportunity to receive the training for entrepreneurial and self-employment provided for under the federal act.

This bill would additionally require the board to assist the Governor by recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment board programs as authorized under the federal act.

(3) The bill would also require the board, by *January 1, 2010*, to develop and distribute guidelines, or provide other assistance to, local workforce investment boards to help them implement entrepreneurial and self-employment training programs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18000 of the Business and Professions
- 2 Code is amended to read:
- 3 18000. (a) For purposes of this part, “microenterprise” means
- 4 a sole proprietorship, partnership, or corporation that meets all of
- 5 the following requirements:
- 6 (1) Has five or fewer employees, including the owner.
- 7 (2) Is part time or full time.
- 8 (3) Generally lacks sufficient access to conventional loans,
- 9 equity, or other banking services.
- 10 (b) For purposes of this part, “microenterprise development
- 11 provider” means a nonprofit or public agency that provides
- 12 self-employment training, technical assistance, and access to
- 13 microloans to individuals seeking to become self-employed or to
- 14 expand their current business.
- 15 SEC. 2. Section 14001 is added to the Unemployment Insurance
- 16 Code, to read:
- 17 14001. The Legislature finds and declares the following:
- 18 (a) Nearly one-third of California’s workforce is comprised of
- 19 independent and self-employed workers, including entrepreneurs,
- 20 contractors, independent consultants, and home-based businesses.

1 (b) The self-employed workforce in California has grown by
2 over 100 percent in the last 15 years.

3 (c) The federal Workforce Development Act of 1998 provides
4 that states should offer training and workforce development
5 services through state and local workforce investment boards. In
6 fulfilling these duties, it is important that all Californians have the
7 opportunity to receive entrepreneurial and self-employment
8 training, as well as other training that can help them successfully
9 work for others.

10 (d) *It is the policy of the State of California, to the extent*
11 *feasible, to provide individuals with the opportunity to learn skills*
12 *needed to pursue self-employment opportunities in order to provide*
13 *a stable income for them and their families.*

14 SEC. 3. Section 14013 of the Unemployment Insurance Code
15 is amended to read:

16 14013. The board shall assist the Governor in the following:

17 (a) Promoting the development of a well-educated and highly
18 skilled workforce.

19 (b) Developing the State Workforce Investment Plan.

20 (c) Developing guidelines for the continuous improvement and
21 operation of the workforce investment system, including:

22 (1) Developing policies to guide the one-stop system.

23 (2) Providing technical assistance for the continuous
24 improvement of the one-stop system.

25 (3) Recommending state investments in the one-stop system.

26 (d) Developing and continuously improving the statewide
27 workforce investment system as delivered via the one-stop delivery
28 system, including:

29 (1) Developing linkages in order to ensure coordination and
30 nonduplication among workforce programs and activities.

31 (2) Reviewing local workforce investment plans.

32 (e) Commenting, at least once annually, on the measures taken
33 pursuant to the Carl D. Perkins Vocational and Applied Technology
34 Education Act Amendments of 1990 (Public Law 101-392; 20
35 U.S.C. Sec. 2301 et-seq. *seq.*).

36 (f) Designating local workforce investment areas within the
37 state based on information derived from all of the following:

38 (1) Consultations with the board.

39 (2) Consultations with the chief local elected officials.

1 (3) Consideration of comments received through the public
2 comment process, as described in Section 112(b)(9) of the federal
3 Workforce Investment Act of 1998.

4 (g) Developing and modifying allocation formulas, as necessary,
5 for the distribution of funds for adult employment and training
6 activities, for youth activities to local workforce investment areas,
7 and dislocated worker employment and training activities, as
8 permitted by federal law.

9 (h) Coordinating the development and continuous improvement
10 of comprehensive state performance measures, including state
11 adjusted levels of performance, to assess the effectiveness of the
12 workforce investment activities in the state.

13 (i) Preparing the annual report to the United States Secretary of
14 Labor.

15 (j) Recommending policy for the development of the statewide
16 employment statistics system, including workforce and economic
17 data, as described in Section 15 of Title 29 of the United States
18 Code, and using, to the fullest extent possible, the Employment
19 Development Department's existing labor market information
20 systems.

21 (k) Recommending strategies to the Governor for strategic
22 training investments of the Governor's 15-percent discretionary
23 funds.

24 (l) Developing and recommending waivers, in conjunction with
25 local workforce investment boards, to the Governor as provided
26 for in the Workforce Investment Act of 1998.

27 (m) Recommending policy to the Governor for the use of the
28 25-percent rapid response funds, as authorized under the Workforce
29 Investment Act of 1998.

30 (n) Developing an application to the United States Department
31 of Labor for an incentive grant under Section 9273 of Title 20 of
32 the United States Code.

33 (o) Recommending policy and providing technical assistance
34 on entrepreneurial training opportunities that could be made
35 available through programs of local workforce investment boards
36 as authorized under the federal Workforce Investment Act of 1998.

37 SEC. 4. Section 14013.2 is added to the Unemployment
38 Insurance Code, to read:

39 ~~14013.2. (a) The State of California currently does not provide~~
40 ~~guidelines for local workforce development boards on training for~~

1 ~~entrepreneurial and self-employment skills. By not providing~~
2 ~~entrepreneurial and self-employment guidelines for local workforce~~
3 ~~investment boards, the State of California is denying low-income~~
4 ~~individuals the opportunity to learn skills needed to pursue~~
5 ~~self-employment opportunities and provide a stable income for~~
6 ~~them and their families.~~

7 ~~(b)–~~

8 *14013.2.* By January 1, 2010, the California Workforce
9 Investment Board shall develop and distribute guidelines or provide
10 other assistance, or both, to local workforce investment boards to
11 help them implement entrepreneurial and self-employment training
12 programs. In the development of these guidelines or other
13 assistance, the board may consult with state agencies and small
14 business-related associations, as appropriate.